

6 FAM 530 OPERATING POLICIES

6 FAM 531 FINANCIAL MANAGEMENT REQUIREMENTS

(TL:GS-35; 1-19-95)

(Uniform State/USAID/USIA/Commerce/Agriculture)

a. Great care and discretion shall be exercised in the financial management and operation of association activities to prevent embarrassment to the U.S. Government and the employee association. The U.S. Government assumes no liability for the obligations of commissary, food service, mess, and recreation activities to third parties or local governments.

b. When U.S. Government personnel act as authorized representatives of an employee association, they may not use their official title or position. They should act within their authority as association representatives and should not personally assume responsibility for the obligations of the association or imply that they are acting on behalf of the U.S. Government.

c. Associations are required to maintain financial records in accordance with U.S. generally accepted accounting principals (USGAAP).

6 FAM 531.1 Post Budget and Fiscal Assistance

(TL:GS-35; 1-19-95)

(Uniform State/USAID/USIA/Commerce/Agriculture)

Budget and fiscal officers, upon authorization of the principal officer, may receive and hold funds of employee associations and make payments in connection with their operations in accordance with 4 FAM 300.

6 FAM 531.2 Banking and Investment Accounts

(TL:GS-35; 1-19-95)

(Uniform State/USAID/USIA/Commerce/Agriculture)

Under no circumstances should excess money be invested in speculative enterprises or institutions, offshore banks, or currency speculation.

6 FAM 531.3 Severance Pay and Retirement

(TL:GS-35; 1-19-95)

(Uniform State/USAID/USIA/Commerce/Agriculture)

In a fund clearly identified as such, each employee association, or subsidiary organization (commissary, club, etc.) shall provide for severance pay, retirement, etc., for foreign national employees, if required by local law, by designating cash or liquid assets (i.e., assets that can be converted to cash quickly) for payment of the liability. This fund should match this liability 100 percent. In lieu of establishing such funds, the employee association may purchase endowment policies, subscribe to a host government provident fund, or provide some other practical and safe means to provide for these liabilities.

6 FAM 532 INSURANCE

(TL:GS-35; 1-19-95)

(Uniform State/USAID/USIA/Commerce/Agriculture)

Insurance must be adequate to cover the association's assets and include public liability, fire, wind, water, and theft. The U.S. Government will not indemnify associations, their boards, or officers in cases where law suits are filed. Also, an association's insurance policies should be reviewed on an annual basis by the association board to ensure their adequacy in protecting the association.

6 FAM 533 BONDING

(TL:GS-35; 1-19-95)

(Uniform State/USAID/USIA/Commerce/Agriculture)

Sufficient blanket or individual bond coverage must be provided to cover all potential losses resulting from actions by association employees who handle cash or readily convertible assets of the association, or who have authority to bind the association contractually. If the association has determined that the cost for bond coverage is prohibitively expensive for the activities and services provided to its members, the association may address a request for an exception to A/OPR/ST/CR. The association and its members are accountable for all losses that would have been covered by a blanket or individual bond coverage.

6 FAM 534 PRIVATE CLUBS

(TL:GS-35; 1-19-95)

(Uniform State/USAID/USIA/Commerce/Agriculture)

Support given to private American clubs or other private clubs by posts and/or associations is not authorized by statute or regulation and is therefore improper. Support of such private clubs may result in claims and other liabilities asserted against the post and/or association for the debts or other obligations of such private clubs, and accordingly such support is prohibited.

6 FAM 535 EQUITABLE PRICE

(TL:GS-35; 1-19-95)

(Uniform State/USAID/USIA/Commerce/Agriculture)

a. Section 31(d) of the State Department Basic Authorities Act of 1956, as amended and codified at 22 U.S.C. 2703 (d), precludes surcharges by providing:

“(d) Charges at any post abroad for a service or facility provided, authorized, or assisted under this section shall be at the same rate for all civilian personnel of the government serviced thereby...”

b. Therefore, charges will be at the same rates for all U.S. personnel (including TDY employees at post) and their dependents serviced by the association's facilities. In the case of TDY employees, instead of surcharges, a flat fee may be imposed for temporary membership or commissary enrollment. This would substitute more directly for the regular members' dues. Any such fee should be reasonable in amount and applied uniformly to all TDY employees.

6 FAM 536 PERSONNEL BENEFITS

(TL:GS-35; 1-19-95)

(Uniform State/USAID/USIA/Commerce/Agriculture)

Association employees, while not U.S. Government employees, should be extended comparable personnel benefits when possible, and consistent with local laws and practices.

6 FAM 537 SUITABILITY INVESTIGATIONS

(TL:GS-35; 1-19-95)

(Uniform State/USAID/USIA/Commerce/Agriculture)

Association employees are subject to pre-employment suitability investigations. The extent of the pre-employment investigation of U.S. citizens will be determined by the post's administrative officer after consultation with the regional security officer. U.S. citizen dependents of security cleared U.S. citizen employees will not normally require any type of suitability or security investigation. Host or third-country applicants for these positions are subject to the same pre-employment inquiries as those required for Foreign Service national employees who are directly employed by a diplomatic or consular post.

6 FAM 538 VIDEO CLUBS AND USE OF COPYRIGHTED MATERIALS

(TL:GS-35; 1-19-95)

(Uniform State/USAID/USIA/Commerce/Agriculture)

a. Video clubs, operated as a service to members of the employee association, may make videotaped movies, which the club has purchased through an authorized distributor, available on a rental or gratuitous basis for private home viewing only. This practice is permitted under the "first sale doctrine" codified in the U.S. copyright laws (17 U.S.C. 109). The "first sale doctrine" does not, however, permit the video club of the association or members to conduct "public performances" of copyrighted material without prior permission of the copyright owner.

b. Video clubs or association members should also refrain from copying or duplicating any copyrighted material for the purpose of resale, rental, or providing public performances to association members, or to other personnel at a constituent post or other missions in a different country.

c. Television programs in the United States, whether aired on commercial, public, or cable television, are generally copyrighted. Association video clubs should not rent, resell, or authorize public performances of, or provide on a gratuitous basis, any videotapes of such programs unless obtained through authorized, licensed sources.

d. Cable casting or closed circuit presentation of videotaped movies that have been purchased from an authorized distributor may, depending upon the particular movie title, constitute a violation of U.S. copyright laws. Associations which have established closed circuit cable broadcasting facilities or capabilities for the official U.S. Government community (i.e., services to apartments, residences, community centers, transient quarters, American club, etc.) and which own the copy of the videotaped movies to be broadcast, do not normally have the right to engage in public performances of copyrighted material. To lawfully cable cast videotaped movies, associations must usually obtain a license to commence or continue this service. For assistance in obtaining appropriate licenses, contact A/OPR/ST/CR.

e. Other copyrighted material (e.g., computer software, programs, and games) may not be duplicated without authorization from the copyright owner or licensee.

6 FAM 539 VOTING RIGHTS AND CONTROL OF EMPLOYEE ASSOCIATIONS

(TL:GS-35; 1-19-95)

(Uniform State/USAID/USIA/Commerce/Agriculture)

Voting rights in employee organizations shall be limited to U.S. Government employees (including USAID, and State INM and A/FBO personal services contractors) who are U.S. citizens resident at post and their dependents over the age of 16, but a majority of the voting membership must be U.S. Government employees. The board of directors of any employee organization must be limited to this same group with the further proviso that a majority of the board of directors must be direct-hire, U.S. citizen, U.S. Government employees.